



Ninety-Eighth Legislature - Second Session - 2004
Introducer's Statement of Intent
LB 969

Chairperson: Ed Schrock
Committee: Natural Resources
Date of Hearing: January 23, 2004

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 969 is intended to clarify the authority of public entities such as municipalities, public power districts and electric cooperatives to enter into agreements for the purchase of power generated from electric generating facilities. It is intended that these entities have broad authority, as determined by their respective governing bodies, to structure the terms of such purchase agreements.

The bill would allow purchase agreements to contain provisions by which one or more public entity agrees to accept and pay for additional power generated by a project if another entity participating in the project defaults or otherwise is unable to take or pay for its share of power.

It would also allow that entity to agree to make payments regardless of whether power is produced or delivered, or whether output from the facility is suspended or interrupted.

Under this bill, it is clear that municipalities have the authority to enter into such a purchase agreement for power projects, and that such authority is to be liberally construed so that public entities may fashion purchase agreements that are appropriate for each particular project.

Principal Introducer:

Ed Schrock, Chairperson
Committee on Natural Resources